

2008 REPORT

Minority Business Development and Retention



The goal of MBDR is to increase Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), Small Business Enterprises (SBEs) and people with disabilities participation in business and employment opportunities generated by the City of Saint Paul, Housing and Redevelopment Authority and the Department of Planning and Economic Development housing and economic development activities.

MBDR is included in the Invest Saint Paul (ISP) Expanding Economic Opportunities strategies.

Pictured: Angela Burkhalter , Yvonne Chueng Ho, Readus Fletcher and George Jacobson

Construction Partnership Program (CPP), The City of Saint Paul and Metropolitan Economic Development Association., Partnership has expanded to included the Association of Women Contractors as co-chair.



The Minority Business Development and Retention (MBDR)

www.stpaul.gov/mbdr





2008 MBDR FOCUS AND RESOURCES

- ❑ 15% Compliance Report Card –Posted on the City webpage
- ❑ Community Partners – Business and Community Development Forums
- ❑ Construction Partnering Program
- ❑ Socially Responsible Investment Fund (SRIF)
- ❑ Emerging Markets Economic Data
- ❑ MBDR Contacts
- ❑ City of Saint Paul Housing and Redevelopment Authority Disparity Study
- ❑ Hall Audit: Review and Performance Audit of the City of Saint Paul/Housing and Redevelopment Authority Efforts Related to Inclusion In City/HRA Economic Opportunities
- ❑ RNC Convention and twelve month opportunity summit
- ❑ Multi-Jurisdictional Relationships –simplifying the process
- ❑ Capacity Building Professional Service Contracts
- ❑ Ethnic Business Retention and Expansion (BR&E) Survey
- ❑ Apprenticeship Opportunity Pilot Program



CAPACITY BUILDING

Build the capacity of businesses and potential business owners by bridging the gap between the business owner and the opportunities generated by the Central Corridor Light Rail Transit, reinvestment in Saint Paul Housing and Invest Saint Paul opportunities to name a few.

“Our goal is to build businesses that grow, prosper, and anchor their own communities. Neighborhood businesses create new jobs, fill storefronts, and generate a renewed sense of economic vitality.

The “invisible benefits” they generate may be even more important: role-modeling the value of enterprise, creating community gathering spaces, and bringing needed products and services to underserved populations.“

*Neighborhood Development Center
Mihailo Temali, Executive Director*

ProBid Training Program® A Professional Service Capacity Building Contract with MBDR allowed Selby Area CDC to create the **ProBid Training Program®**. SACDC began by working with small construction, janitorial, and landscaping businesses to help them Learn how to read an RFP and successfully bid on projects. ProBid has achieved such success that it’s offered by the Minnesota Department of Transportation MnDOT.

THE WORKING CAPITAL LOAN FUND

Selby Area Community Development Corporation and Women Venture are the Community Partners that operate our \$150,000.00 Working Capital Loan Fund. A Financing product for business owners seeking to do business with the city of Saint Paul.

HOW IT WORKS

Selby Area CDC will pledge up to \$15,000 in the form of a certificate of deposit as security with a commercial bank to assist business owners in obtaining small business loans or lines of credit. Women Venture is a micro lender that provides financing to qualified new and existing businesses. Loans range from \$500 to \$35,000.

TECHNICAL ASSISTANCE

An example of our Technical Assistance includes Community Partnering relationships with Neighborhood Development Center, Women Venture, Selby Area CDC, Riverview Economic Development Association, Ethnic Chamber and Media Relationships.

ProBid Training Program®

Selby Area CDC is working with small construction, janitorial, and landscaping businesses to help them learn how to read an RFP and successfully bid on projects, the new ProBid Training Program does just that. After two workshops with local businesses, Selby Area CDC is working to fill the need with a class designed for business owners.

Business owners will...

- Learn how to read an RFP.
- Find out how to pinpoint only the relevant parts of a project for their business to save time and money.
- Calculate their overhead.
- Write a bid.
- Learn how to compute markup.
- Evaluate contracts.
- Create a marketing plan for growing the business.

What students are saying about the class:

"This has changed everything for me once I implemented it"

"I had been losing money on nearly 80% of my jobs, now I know how to make money"

"The instructors are knowledgeable in their fields"

"Very helpful, definitely not boring!"



Pictured: Errol Foster, ProBid and Art Weddington, Selby Area CDC - Executive Director

www.selbyareacdc.org

CONSTRUCTION PARTNERING PROGRAM

The Construction Partnering Program (CPP) is an innovative initiative designed to create increased opportunities for women and entrepreneurs of color. Through partnerships, developing businesses are connected with the expertise, leadership and networks of established general contractors. *2008 Saint Paul CPP Project of the year is the Regions Hospital Expansion Project.*



2008 CPP AWARDS hosted by CPP co-chair, Yvonne Chueng Ho, Executive Director of Metropolitan Economic Development Association (MEDA) and Diane Holte, 2008 President of Association of Women Contractors. Reception was held at Medtronic (2007 Best Construction Project). Awards presented by Saint Paul Mayor Chris Coleman.

Best Minority Business Partner, Target Commercial Interiors
Best Majority Business Partner, DelPrado Commercial Flooring
Best Partnering Relationship, Mtec Electric and Parsons Electric
Best Construction Project, Regions Hospital Expansion Project
Outstanding Advocate Award: Claudia Osterman



Socially Responsible Investment Fund (SRIF)



The City of St. Paul's Socially Responsible Investment Fund (SRIF) goal is to promote lending opportunities offered by local banks to its commercial corridors, female, minority and small businesses, housing initiatives, community development corporations (CDC) and low-income communities in Invest Saint Paul (ISP) areas.

The Socially Responsible Investment Fund (SRIF) is a part of the City of Saint Paul's Minority Business Development and Retention (MBDR) program. Our City Treasurer purchases certificates of deposits at a maximum amount of 10 Million dollars.

For the reporting period, 3million dollars matured at two SRIF community banks, Park Midway Bank and Western Bank. Collectively, the banks paid the City of Saint Paul a return in interest of \$188,718.78 and originated 204 business and home loans in ISP targeted areas in the amount of \$31,613,319.

Details for the reporting period 4/07 thru 9/30/08:

Park Midway Bank originated 33 loans in ISP areas for a total loan amount of \$4,365,000.

Park Midway Bank made loans in 16 of the 26 ISP identified census tracts.

Western Bank originated 171 loans in ISP areas for a total loan amount of \$27,248,115.

Western Bank made loans in 25 of the 26 ISP identified census tracts.

OUTREACH & PARTNERSHIPS



“The U.S. Multi-Cultural Markets (Hispanic, Asian American, African American, American Indian and the U. S. Emerging African Markets) now represent a combined buying power of 1.5 Trillion Dollars.

What do these statistics mean for your company! You need to craft a winning marketing campaign to capture your share of this lucrative and largely untapped market.”

Rick Aguilar, Aguilar Productions

2008 Minnesota Indian Business Conference (MIBC)

The Conference was modeled after the successful Indian Business Conference held in both Montana and South Dakota, focusing on financial resources and best practices that stimulate tribal economies. And the challenges to the creation and growth of Indian business in Minnesota. Attendees include tribal leadership; policy makers; tribal economic and business development leaders; tribal judiciary and

legal counsel; federal and state agencies; lenders; Indian business owners; and community development groups.

All designed to provoke dialogue, and motivate tribal leaders and others to move forward with initiatives that will create strong business environments for diverse tribal economies.

Minnesota is moving forward to critically examine the challenges to, and opportunities for, Indian business in this state. MBDR staff continues to work with MIB to help build capacity for this historic effort.

RNC CONVENTION AND TWELVE MONTH OPPORTUNITY SUMMIT

MBDR on behalf of the City of Saint Paul, partnered with the City of Minneapolis and the Midwest Minority Supplier Development Council (MMSDC) to host a Business Opportunity Summit highlighting twelve months of opportunities. This included the Republican National Convention (RNC).

The business opportunity summit featured opportunities with the Saint Paul Convention and Visitors Authority, Meet Minneapolis and the 2008 Republican National Convention (RNC) Host Committee. At least 100 businesses and associations participated.



RNC Business Listening Session

The Saint Paul Area Chamber of Commerce, in partnership, with the Mayor's Office, hosted a post-RNC business listening session. MBDR helped to identify businesses that benefited from the convention:

James E. Frisco, The Falcon Group
Laid the Cable for the RNC
jefjco@msn.com

President, McFarlane Media Interests, Inc.
(AHANA Media Pavilion)
Media Credentials
al@insightnews.com

Bruce P. Corrie, PhD (AHANA Media Pavilion)
Media Credentials
www.csp.edu/cbo1

Keys Café
Catered for the Secret Service and Morning Joe Show/MSNBC location
roy@keyscafe.com, jean@keyscafe.com, carol@keyscafe.com

Sheldon's Limousines
Drove RNC Comm. on Arrangements

15% VOP REPORT CARD

***HRA/PED PROJECTS “IN PROCESS”**

\$19,114,022 Total 58.54% 7.73%

\$7,410,188 SBE 3.00%

\$5,867,846 MBE 2.37%

\$5,835,988 WBE 2.36%

***3rd Quarter Report**

***HRA/PED PROJECTS “COMPLETED”**

\$32,259,668 Total 39.75% = 12.61%

\$13,465,403 SBE 5.26%

\$8,926,513 MBE 3.49%

\$9,867,752 WBE 3.86%

***3rd Quarter Report**

Comparison to Marketplace Availability (US Census Data for the Twin Cities Metropolitan Area)

Goods Professional Other

Construction Availability Services Services City Totals

WBE Market Place	0.8%	5.9%	18.2%	4.3%	29.0%
MBE Market Place	0.3%	0.7%	2.3%	0.8%	4.0%
Asian Marketplace	0.01%	0.3%	1.0%	0.4%	1.8%
African American Marketplace	1.0%	0.1%	0.2%	0.8%	1.3%
Hispanic Marketplace	0.1%	0.1%	0.4%	0.1%	0.7%
Native American Marketplace	0.1%	0.05%	0.1%	0.1%	0.3%



MBDR PERFORMANCE

15% Report Card of Business Opportunities – as of 3rd quarter, 2008:

- ❑ **HRA/PED PROJECTS IN PROCESS = \$19,114,022 Total 58.54% 7.73%**
- ❑ **HRA/PED PROJECTS COMPLETED = \$32,259,668 Total 39.75% = 12.61%**

Socially Responsible Investment Fund:

Collectively, the banks paid the City of Saint Paul a return in interest of \$188,718.78 and originated 204 business and home loans in Invest Saint Paul (ISP) targeted areas in the amount of \$31,613,319.

RNC Outreach Opportunities - 100 businesses and associations attended

MBDR partnered with the City of Minneapolis and Midwest Minority Supplier Development Council (MMSDC) to host a Business Opportunities presented by Saint Paul Convention and Visitors Authority, Meet Minneapolis and the 2008 Republican National Convention (RNC) Host Committee.

- ❑ 694 Businesses and Individuals received Capacity Building, Start-Up and Technical Assistance.
- ❑ 100 Businesses participated in Ethnic Marketing Seminars.
- ❑ 35 Minority and Women Owned Businesses participated in the Construction Partnering Program (CPP).
- ❑ Minority Business Enterprise participants in the CPP reported contract awards of almost \$60 million dollars in 2008.
- ❑ Minority and Woman Owned partners in the CPP report that they generally perform between 15% and 25% of their annual work (in terms of gross revenue) with their partner. Their experience in the CPP enables them to undertake larger projects on their own, and often enables them to structure partnerships with other large firms.



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